

### REMARKS

Claims 18-40 are at issue in the instant application. Claims 1-17 have been canceled and claims 41-47 have been added by the foregoing amendments. Claims 18-40 were rejected as anticipated by Hite et al.

While Hite et al. discloses a system for delivering targeted advertising to consumers using television signals, Hite et al. fails to disclose a system or method that uses advertisement objects and linked image objects, as recited in independent claims 18 and 24. Because Hite et al. fails to disclose every element recited in independent claims 18 and 24, these claims are not anticipated thereby.

Hite et al. also fails to disclose a method of displaying advertisements that generates an ordered list containing a prioritized sequence of advertising objects, as recited in independent claim 35. In particular, as indicated on page 10 of the Office action, Hite et al. teaches that if multiple commercial identifier matches are possible (i.e., if multiple commercials are in contention to be displayed), "there is a prioritization sequence that determines which commercial to display and which to ignore." Col. 4, lines 12-18. Contrary to the suggestion in the Office action, Hite et al. does not in any way teach that those commercials which are ignored are subsequently displayed in a certain sequence.

Furthermore, the sequencing code taught by Hite et al. is not an ordered list of advertising objects as recited in claim 35. Instead, the sequencing code taught by Hite et al. is a single value that is subjected to successive computations to index through a series of commercials having sequential commercial identifier codes. Col. 4, lines 45-51. Accordingly, because Hite et al. fails to disclose every

element of independent claim 35, this claim is not anticipated thereby.

For at least the foregoing reasons, independent claims 18, 24 and 35 and claims 19-23, 25-34 and 36-40 dependent respectively thereon are now in condition for allowance. Accordingly, reconsideration and withdrawal of the rejections of these claims and allowance thereof are respectfully requested.

Additionally, added claims 41-47 are allowable over the cited art for at least the foregoing reasons and allowance of these claims is also respectfully requested.

Respectfully submitted,

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VERSION WITH MARKINGS SHOWING CHANGES MADE

IN THE CLAIMS:

Please amend claims 18, 23 and 24 as follows:

18. (amended) A digital advertisement system for use in receiving, processing and displaying digital advertisement information, the digital advertisement system comprising:

a processor;

a memory communicatively coupled to the processor;

a first software routine stored on the memory and adapted to be executed by the processor to receive advertising objects and image objects linked to the advertising objects from a transmitted data stream;

a second software routine stored on the memory and adapted to be executed by the processor to select a first group of advertising objects from the received advertising objects and image objects based on a local condition; and

a third software routine stored on the memory and adapted to be executed by the processor to sequentially display the first group of advertising objects [based on a first ordered list] using ones of the image objects linked to the first group of advertising objects.

23. (amended) The system of claim [22] 18, wherein the third software routine is further adapted to be executed by the processor to display the [second] first group of advertisement objects based on [a second] an ordered list.

24. (amended) A method of receiving advertisements for use in a receiver station with a cache memory that receives a data stream containing advertising objects and image objects linked to the advertising objects, the method comprising the steps of:

selecting a received advertising object and its linked image objects from the transmitted data stream;

determining if the received advertising object [is] and its linked image objects are compatible with the receiver station based on one or more data elements within the received advertising object and the linked image objects; and

discarding the received advertising object if it is not compatible with the receiver station.